

SETTLEMENT AGREEMENT

WHEREAS, Correctional Services Corporation, ("CSC"), (the "Lobbying Entity"), was a client of a registered lobbyist in the State of New York; and

WHEREAS, the Lobbying Entity was obligated under the Lobbying Act to file semi-annual reports with the New York Temporary State Commission on Lobbying (the "Commission"); and

WHEREAS, the activities of the Lobbying Entity resulted in certain occurrences which the Commission believes require additional and/or amended filings with the Commission and thus, the Commission believes there are deficiencies in the filings of the Lobbying Entity ("Alleged Filing Deficiencies"); and

WHEREAS, the Commission has noted deficiencies, errors and omissions in the Lobbying Entity's filings; and

WHEREAS, the Lobbying Entity has reviewed its filings with the Commission for the period January 1, 2000 through June 30, 2001 and has identified and brought to the attention of the Commission staff the Alleged Filing Deficiencies; and

WHEREAS, the Lobbying Entity has agreed to provide amended filings in accordance with the Commission's views without admitting to violations of the New York State Lobbying Act (the "Lobbying Act"); and

WHEREAS, the Lobbying Entity has agreed to pay civil penalties to the Commission with respect to the Alleged Filing Deficiencies with respect to the Lobbying Act.

NOW, THEREFORE, the Lobbying Entity, and the Commission hereby enter into this Settlement Agreement (the "Agreement") and agree as follows:


- I. Within 14 days of the date of this Agreement as first written above, the Lobbying Entity will file amended client semi-annual report(s) (collectively the "Amended Lobbying Reports") with the Commission for the period January 1, 2000 through June 30, 2001, inclusive.
- II. Within 30 days of the date of filing of such Amended Lobbying Reports, the Lobbying Entity may further amend its Amended Lobbying Reports as they deem appropriate (the "Settlement Period"); provided, however, that neither the fact that the Lobbying Entity amends their Amended Lobbying Reports nor the content of any such amendment to their Amended Lobbying Reports nor the content of the originally filed Amended Lobbying Reports shall form the basis of or otherwise give rise to any additional civil penalty action against the Lobbying Entity by or

before the Commission including, but not limited to, any investigation or civil penalty hearing.

- III. With respect to any alleged reporting deficiencies that are corrected by the filing by the Lobbying Entity of any of the Amended Lobbying Reports or amendments thereto referred to in Paragraphs I and II, the Lobbying Entity hereby waives the right to a civil penalty hearing before the New York Temporary State Commission on Lobbying.
- IV. The Commission hereby agrees not to conduct a civil penalty hearing with respect to the reporting deficiencies referred to in Paragraph III hereof.
- V. The Lobbying Entity hereby agrees it shall be liable to pay a \$300,000 civil penalty to the New York Temporary State Commission on Lobbying in full satisfaction of (a) all civil violations of the New York State Lobbying Act that arose or could have arisen from events occurring on or before June 30, 2001, (b) the reporting deficiencies referred to herein, and (c) any violations that otherwise have been discussed or acknowledged by the Lobbying Entity and the Commission on or before the date hereof or during the thirty (30) day period referred to in Paragraph II above and Paragraph VI below. The Lobbying Entity acknowledges that this Agreement applies only to civil violations of the New York State Lobbying Act.
- VI. On or before the execution of this Agreement by all parties, the New York Temporary State Commission on Lobbying agrees to inform the Lobbying Entity of all violations and suspected violations of the New York State Lobbying Act by the Lobbying Entity or any of their affiliates, employees or agents of which the New York Temporary State Commission on Lobbying is aware or has evidence as of the date of this Agreement. The New York Temporary State Commission on Lobbying further agrees to inform the Lobbying Entity of any such violations or suspected violations or allegations of the same of which it becomes aware in the thirty days following the filings by the Lobbying Entity of the Amended Lobbying Reports and any amendments thereto.
- VII. On or before the date of this Agreement, the Lobbying Entity will inform the New York Temporary State Commission on Lobbying of all such deficiencies of which they are aware.
- VIII. Notwithstanding the provisions of Paragraph V hereof, the Lobbying Entity understands and acknowledges that the New York Temporary State Commission on Lobbying may investigate willful and serious violations, if any, by the Lobbying Entity of the New York State Lobbying Act which occurred after June 30, 2001, and of which, as of the date of this Agreement, the New York Temporary State Commission on Lobbying had no notice, evidence, allegation or information, and any willful violations of the New York State Lobbying Act committed by the Lobbying Entity in the filing of its Amended Lobbying Reports.

- IX. Upon request in writing and upon reasonable notice during the three (3) years after the date hereof, the Lobbying Entity hereby agrees to provide the New York Temporary State Commission on Lobbying with copies of the Lobbying Entity's records relating to any compensation or expenses for lobbying activities in the State of New York, subsequent to January 1, 2000, provided, however, that the Lobbying Entity may assert any valid objection to such request based on the attorney client privilege, the attorney work-product doctrine or any other proper privilege.
- X. Nothing contained herein shall be construed as an admission on the part of the Lobbying Entity of any wrong-doing or of any violation by the Lobbying Entity or the validity of either party's position on any of the issues described above. This agreement has been entered into by the parties, voluntarily, for the sole purpose of resolving certain disputed legal and factual issues, as described above, including the Alleged Lobbying Act violations, in order to avoid further expense or inconvenience associated with a civil hearing or investigative proceedings relating to these matters.
- XI. That this Agreement can only be amended or modified by an express writing subscribed to by the affected parties.

Dated:

February TH26, 2003
Stewart C. Wagner, Chairman
New York Temporary State Commission
on Lobbying

Dated:

February 26, 2003

Correctional Services Corporation

By: 

68550(Ward)